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In today's meeting in Department Roth, Pickett, Buckley, Moody and Curtin of coal industry and Lewis and Owens of Mine Workers bitterly attacked German Government restrictive coal action. Lewis called it, among other equally strong phrases, "an act of perfidy" and Roth stated "the sanctity of contract is here being disregarded by the Bonn Government." Industry sharply expressed its resentment at suddenness of German restrictive actions and sternness of proposed restrictions, especially since matter was subject continuing discussions with US. Lewis indicated in current discussion German miners' demonstration January 25 that United Mine Workers might suspend work for week to mourn FedRep coal import restrictions.

Industry representatives insisted Dept. take new and more vigorous steps to impress upon Germans seriousness with which American public views their action on coal. Placed great emphasis on the importance they attach to retaliatory action against German automobiles and other manufactured items if FedRep persists in imposing restrictions. Industry representatives also

Drafted by: 1-28-59
EUR:GEA:WHBray:JDevine:mlb

Telegraphic transmission and classification approved by: W. H. Bray

Mr. Beale (in draft)

RA - Mr. Black (in draft)

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indicated they would seek insertion of strong "Buy American" provision in Mutual Security legislation if German proposed coal restrictions go in effect.

Deputy Assistant Secretary Beale recounted our efforts with Germans over past four months and gave group substance our January 27th note. Also agreed to continue to make known to German Government views of US industry. Then reported HA had offered to send representative to U.S. for discussion German restrictions if sufficient interest here for such discussions. After intially cool reception to idea industry representatives were reminded by Under Secretary of Interior Bennett of differences between High Authority and Germans over January 23 announcement and possible assistance we might get from HA. Eventually came around to saying they "had no objections to visit by HA man if Department thought it might be productive." Our impression from questions raised by industry they would no longer reject out of hand suggestion that negotiated solution be found.

Industry urged Department request Germans immediately to arrange for 60-day suspension any formal action on tariff-quota program during which time consultations would be held both at Governmental and industry levels and including High Authority reps. Object would be to arrive at equitable solution for duration period German surpluses.

Embassy should urge this suggested course action on FedRep soonest at high level. In making this approach Embassy should seek impress on FedRep that adverse and inflammatory reactions in US arising from proposed coal restrictions show signs becoming contagious with resulting damage other important aspects our relations with FedRep. Embassy urgently requested report on reactions FedRep to

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foregoing suggestion for 60-day suspension pending HA study and Bundestag schedule for taking action on tariff-quota proposal.

Appropriate instructions to be issued USEC on basis foregoing and in light report HA January 28 meeting.

[redacted] DULLES

[redacted]